



مركز التميز الوطني
للترميز الطبي وحساب التكاليف
NATIONAL CASEMIX CENTER OF EXCELLENCE

Actuaries' Role in National Economy - Healthcare

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KSA Health System Landscape



KSA - Current healthcare system landscape



	Private Sector	Public Sector
Beneficiary Type	<ul style="list-style-type: none"> Private sector employees and their dependents (compulsory) Retail sector (non-compulsory) 	<ul style="list-style-type: none"> Saudis and their dependents Expats working in the public sector Those not covered by other healthcare systems, programs, or services
No. of beneficiaries	11.8 million ¹	~24.2 million ²
Regulator	<ul style="list-style-type: none"> Council of Health Insurance (CHI) Saudi Central Bank (SAMA) 	Ministry of Health (MoH)
Payer/(s)	Private insurance companies	
Provider(s)	Private and public hospitals	
Benefit coverage	Minimum coverage mandated by CHI	No defined benefit coverage
Market size (SAR bn)	31.8 ³	198 ⁴
% of 2022 TGE⁵ (total govt expenditure)	NA	17.5%
Market size (% of 2022 GDP⁶)	0.7%	4.8%

1 As at May 2023 (Source: Council of Health Insurance)

2 World Data Atlas, 2021; Includes Saudi citizens with private health insurance coverage

3 2022 Gross Written Premium for Health Insurance (Source: SAMA)

4 FY 2022 Estimated Health and Social Development Expenditure (https://www.my.gov.sa/wps/portal/snp/aboutksa/governmentBudget/lut/p/z/0/04_Sj9CPykssy0xPLMnMz0vMAfjo8zifT2dPQ38TQz9DUzDJA0CHV39TEy8XlwMzA30g1Pz9AuyHRUBPElqgQ!!/)

5 FY 2022 Estimated Government Expenditure = SAR 1,132 bn (https://www.my.gov.sa/wps/portal/snp/aboutksa/governmentBudget/lut/p/z/0/04_Sj9CPykssy0xPLMnMz0vMAfjo8zifT2dPQ38TQz9DUzDJA0CHV39TEy8XlwMzA30g1Pz9AuyHRUBPElqgQ!!/)

6 2022 KSA GDP= SAR 4,156 bn (https://www.stats.gov.sa/sites/default/files/GDP%20Q42022E_1.pdf)

Vision 2030



KSA Vision 2030



Vibrant Society

- Strength Islamic & national identity
- Offer a fulfilling & healthy life



Thriving economy

- Grow and diversify the economy
- Increase employment



Ambitious Nation

- Enhance government effectiveness
- Enable social responsibility

11 Vision Realization Programmes



Quality of Life Program



Fiscal Sustainability Program



Housing Program



Health Sector Transformation Program



Financial Sector Development Program



Pilgrim Experience Program



National Transformation Program



Public Investment Fund Program



Privatization Program

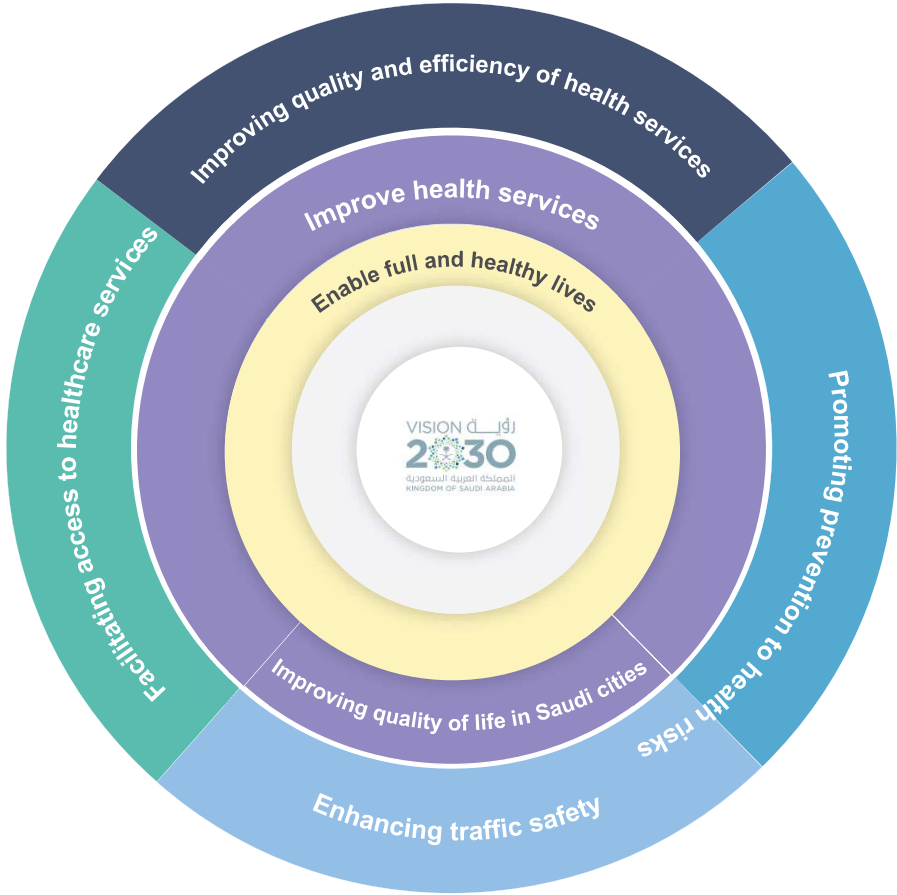


National Industrial Development and Logistics Program



Human Capability Development Program

Health Sector Transformation Program



Need for transformation

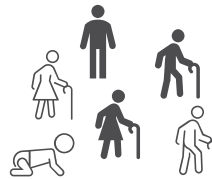




Spiraling healthcare costs

6%-8% pa

Source: Source: UN population projections, IHME, Internal analysis; Oliver Wyman MEP Health Reform Report, literature.



Ageing population

Elderly population to grow by 23% by 2030

Source: 2021 - General Authority of Statistics; 2030 - <https://ghdx.healthdata.org/record/ihme-data/global-population-forecasts-017-2100> (reference scenario)



Increasing burden of non-communicable diseases (NCDs)

Direct costs of NCDs – \$9.6 billion - 11% of the total health expenditure in 2019

Source: <https://openknowledge.worldbank.org/bitstream/handle/10986/36546/9781464817175.pdf?sequence=2>

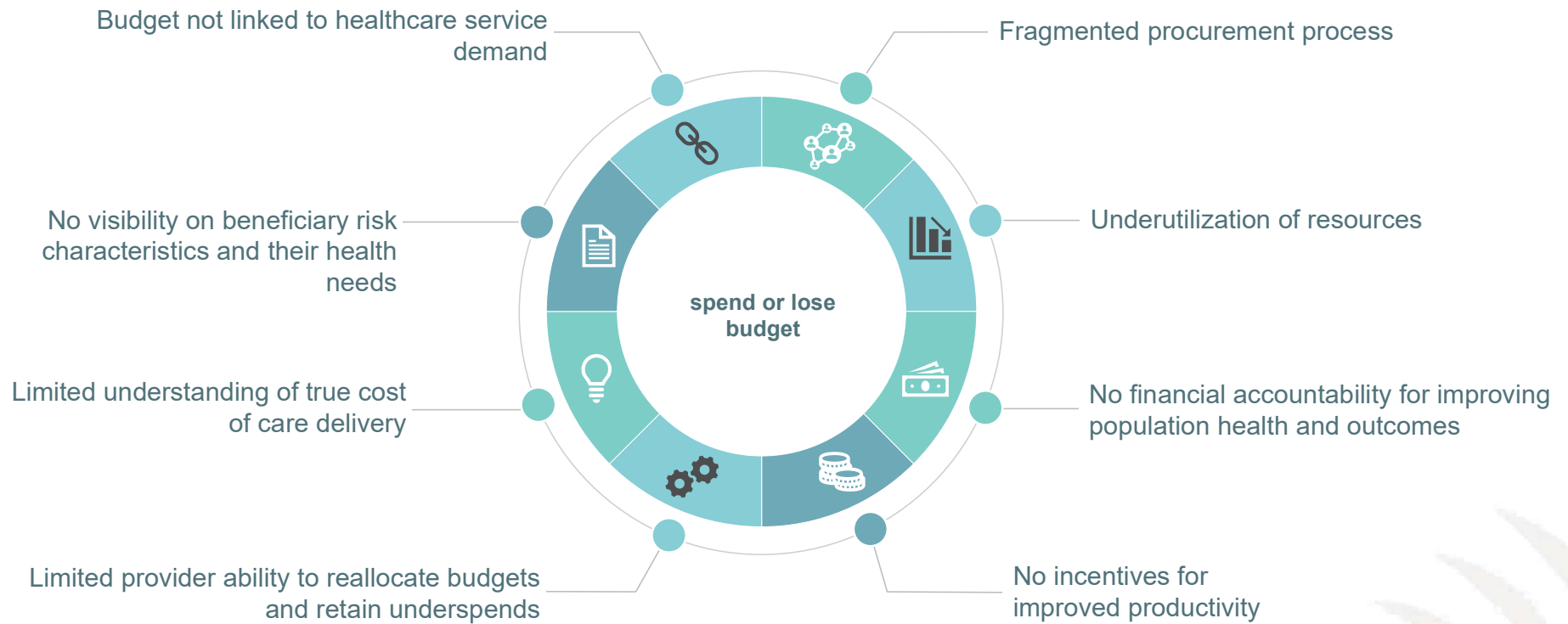
Non-exhaustive

The problem

Challenges with the current budgeting process!



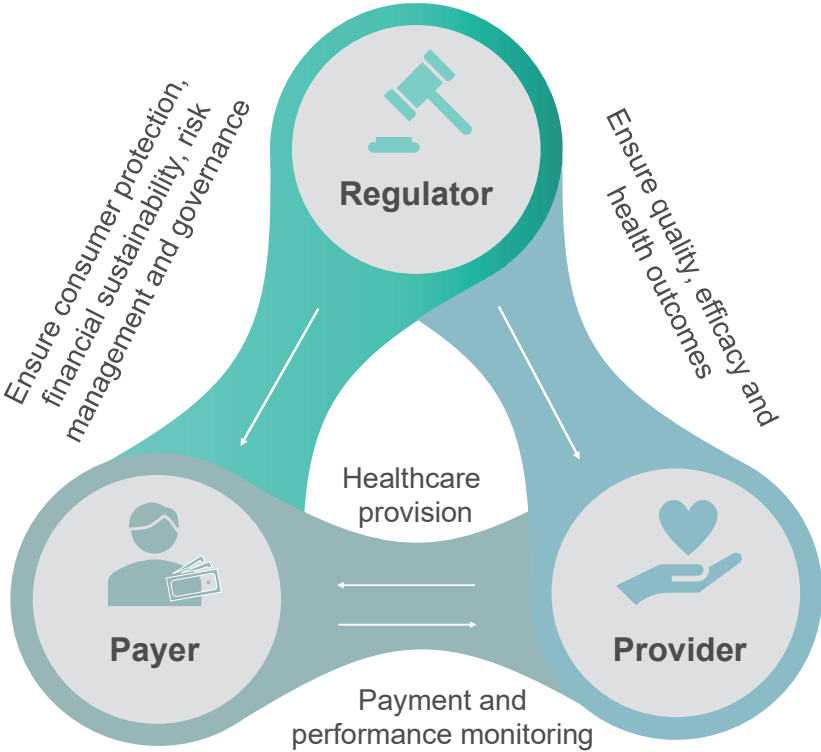
Non-exhaustive



Healthcare transformation



Separation of healthcare tasks





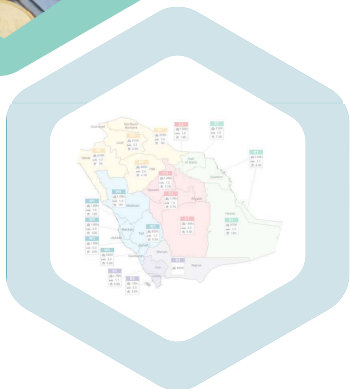
New Model of Care

- Integrated beneficiary centric care delivery



Financing reforms

- Establishment of a national strategic purchaser
- Clear definition of benefit entitlements for the beneficiaries
- Use of value-based contracting to pay for population health outcomes, quality and efficiency

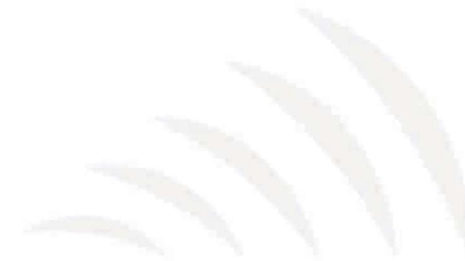


Provider Reforms

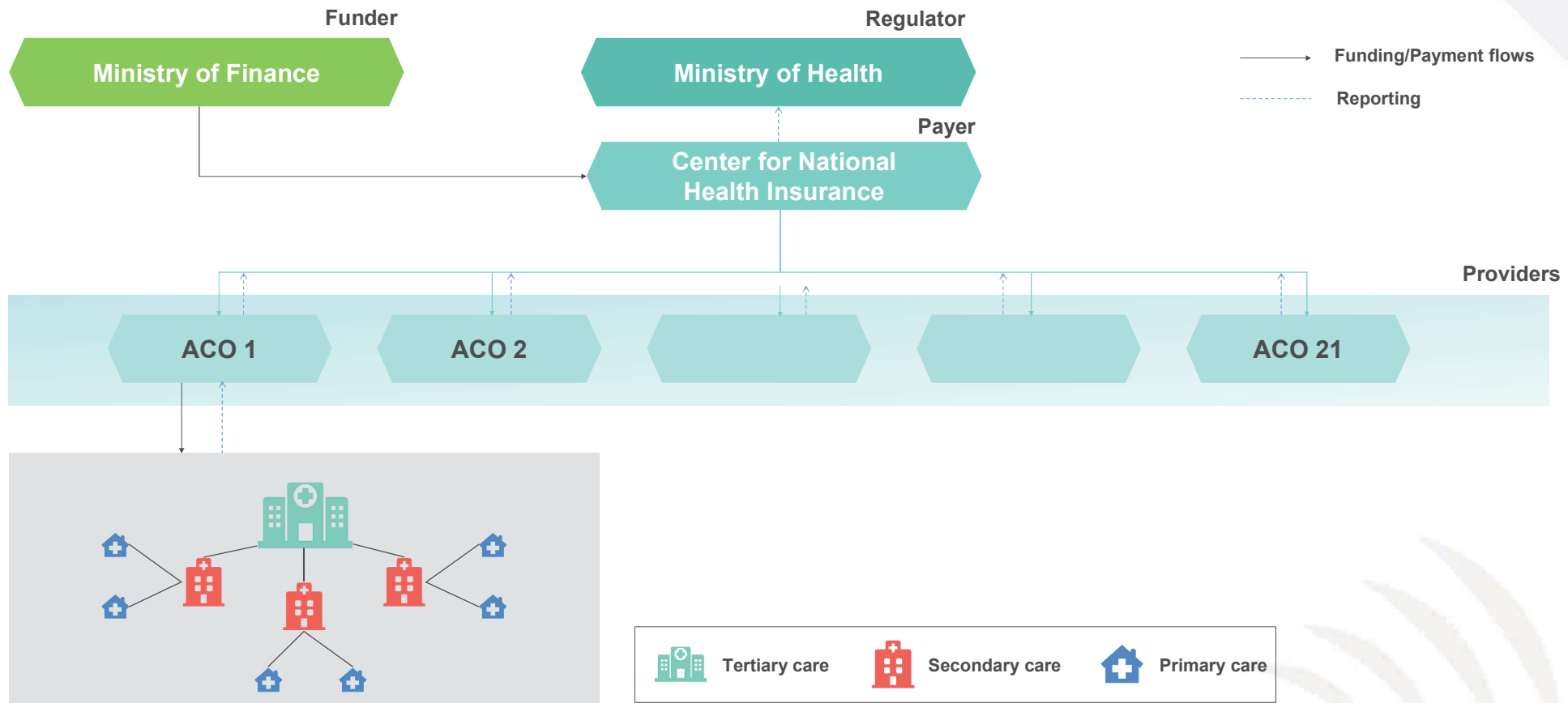
Provision of healthcare through accountable care organizations to:

- Deliver healthcare services and improve health outcomes within a defined budget
- Manage population health
- Optimize care costs

Reforms underpinning the transformation



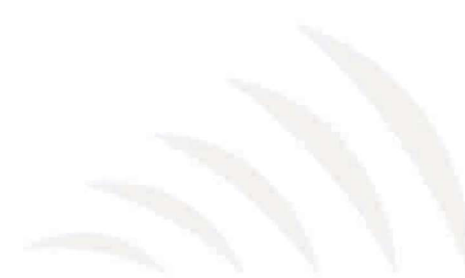
Simplified snapshot of the transformed system!



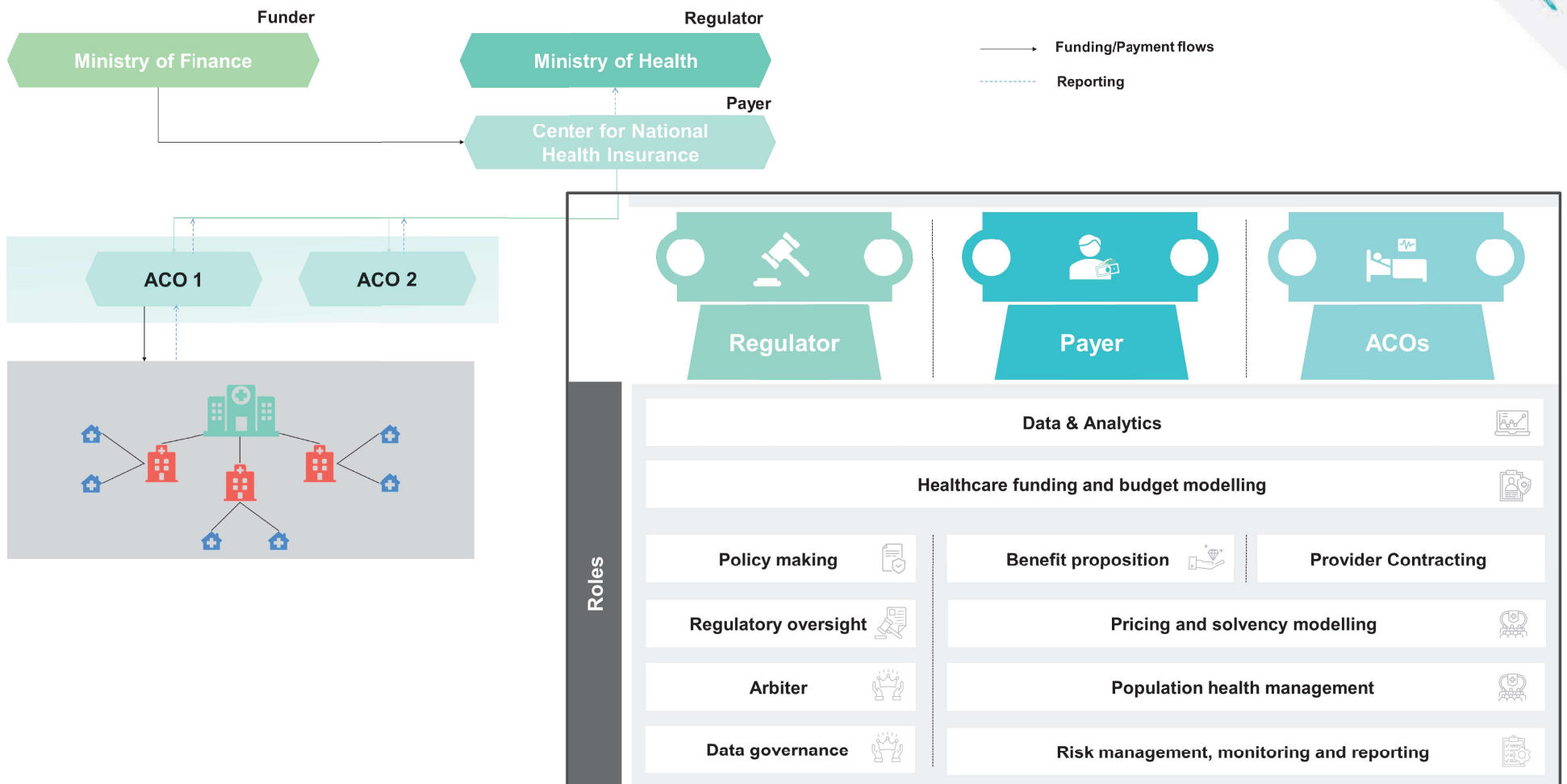
Role of actuaries



Key actuarial attributes for successful transformation!



Simplified snapshot of the transformed system!





THANK YOU!

ANY
QUESTIONS?



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